

COMMISSIONER OF SECURITIES AND INSURANCE
MONTANA STATE AUDITOR'S OFFICE
HELENA, MONTANA

IN THE MATTER OF:

GLOBAL SPORTS MARKETING
CORPORATION, dba GLOBAL
BROADCAST DIGITAL NETWORK
112 Glenn Oak Road
Norristown, PA 19403-2927,

WAYNE DERRICK BUTLER,
individually and in his capacity as
CEO for Global Sports Marketing, Inc., and

CRAIG STEEN, individually and in his
capacity as Chairman of the Board for Global
Sports Marketing, Inc.,

Respondents.

CASE NO.: SEC-2008-21

FINAL AGENCY DECISION
AND ORDER

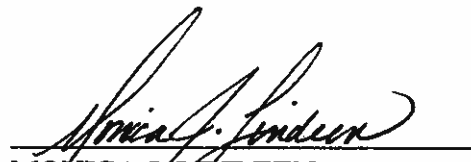
The Commissioner of Securities and Insurance, Office of the Montana State Auditor, (Commissioner) has reviewed the entire record in the above-captioned matter and the relevant law. The Amended Hearing Examiner's Proposed Findings of Fact, Conclusions of Law, and Order, issued March 4, 2010, (hereafter referred to as "Proposed Order") notified the Respondents that if they did not file exceptions with the Commissioner to the Proposed Order within 30 days of the date of that decision, that it would constitute a waiver of their right to judicial review of this decision. As of this date, no exceptions were filed by the Respondents. Therefore, the Commissioner finds good cause to issue the following:

ORDER

1. The Proposed Order, attached hereto as Exhibit A, is adopted in its entirety as the Final Agency Decision in this matter as if set forth fully herein;

2. The Respondents are ordered to comply with the Proposed Order, including, but not limited to, paying the administrative fines, restitution and interest as set forth therein.

SO ORDERED this 9th day of April, 2010.



MONICA J. LINDEEN
Commissioner of Securities and Insurance
Office of the Montana State Auditor

CERTIFICATE OF SERVICE

I do hereby certify I served a copy of the foregoing Final Agency Decision upon all parties of record on the 12th day of April, 2010, by U.S. Mail or hand delivering a copy thereof to:

Hand Delivery:

Ms. Roberta Cross Guns
State Auditor's Office
840 Helena Avenue
Helena, MT 59601

U.S. Mail

Mr. Wayne Derrick Butler
112 Glenn Oak Road
Norristown, PA 19403-2927

Global Sports Marketing Corporation
112 Glenn Oak Road
Norristown, PA 19403

Mr. Craig Steen
1207 East Main Street #24
Bozeman, MT 59715-3858

A handwritten signature in cursive script, appearing to read "David H. Shultz", is written over a horizontal line.

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1 Administrative Procedure Act (§§ 2-4-601, et seq., MCA); and
2 Montana's statutory, public participation in governmental opera-
3 tions notice and hearing provisions (§§ 2-3-101, et seq., MCA).

4 At the contested case hearing, Roberta Cross Guns, Legal
5 Counsel for the Montana State Auditor's Office represented the
6 Securities Department (DOS) of the Commissioner of Securities
7 (COS). Wayne Derrick Butler (Butler) and Craig Steen (Steen) did
8 not appear, nor did any counsel appear on their behalf
9 respectively, nor any counsel or anyone on behalf of Global
10 Sports Marketing Corporation (Global).

12 Testimony was received on behalf of DOS from Gene Hermanson,
13 former DOS Securities Investigator; Al Ludwig, DOS Securities
14 Examiner; Troy Durrell, an individual investor; and Richard
15 Helvey and Leona Helvey, each also an individual investor.

16 The following document copies were offered by DOS without
17 objection and received into evidence: "Join the Millionaire
18 Club!" brochure (Exhibit A); "Affidavit of Craig L. Steen in
19 Support of the Motion of Petitioning Creditors for an Order
20 Directing the Appointment of an Interim Trustee" in Global's
21 Involuntary Chapter 7 case in the United States Bankruptcy Court
22 for the District of Delaware (Exhibit B); December 22, 2005
23 e-mail from mycsa@comcast.net with October 31, 2005, e-mail from
24 CDDiggersteen@aol.com (Exhibit C); September 20, 2006, letter
25

1 from Marsha White, Director of Real Estate and Property
2 Management of the State of Indiana's Bureau of Motor Vehicles
3 addressed to Global's Wayne Butler Sr. (Exhibit D); undated "Dear
4 Investor" letter "From the desk of Wayne Butler, Global Digital
5 Broadcast" (Exhibit E); April 7, 2005, "Global Digital Broadcast
6 Affiliate License Agreement" with Troy and Lorena Dorrell
7 (Exhibit F); September 30, 2005, "Equipment Purchase and
8 Licensing Agreement" between Global and the Dorrells (Exhibit G);
9 October 5, 2005, "Equipment Purchase and Licensing Agreement"
10 between Global and Entrust Administration Custodian FBO
11 Richard F. Helvey (Exhibit H); March 4, 2005, "Global Digital
12 Broadcast Affiliate License Agreement" with Leona Jo Helvey
13 (Exhibit I); March 10, 2005, "Global Digital Broadcast Affiliate
14 License Agreement" with Leona Jo Helvey (Exhibit J); and
15 April 19, 2005, "Global Digital Broadcast Affiliate License
16 Agreement" with Leona Helvey (Exhibit K).
17
18

19 From the testimonial and documentary evidence presented, the
20 Hearing Examiner makes the following proposed:

21 FINDINGS OF FACT

22 1. During his employment as a DOS Securities Investigator
23 from 2005 to 2008, Gene Hermanson (Hermanson) testified to having
24 received an investor complaint from Ron Milledge (Milledge).
25 During his investigation of that complaint, Hermanson ascertained
26

1 other Global investors. Each of the investors had been solicited
2 by, and offered an investment from Craig Steen who indicated the
3 opportunity of receiving a large return on their investments.
4 The investors either gave a check for the investment directly to
5 Steen or sending a check directly to Wayne Butler (Butler) in
6 Pennsylvania. (Tr. 4, 8-11.)
7

8 2. Hermanson testified the investment marketing materials
9 produced by Global indicated an earning potential of \$100,000 a
10 month from the standard investment package cost of \$37,000.
11 (Tr. 11; Exh. A.) These materials did not contain risk
12 disclosures, nor information about or contact information for
13 Butler. (Tr. 12.) The investment consisted of investment
14 contracts purchasing a license for plasma digital TV screens that
15 would be placed in high traffic areas such as shopping centers
16 and airports, and for which advertisements would be sold and
17 investors would receive a great portion of that revenue. (Tr. 5-
18 6, 27; Exhs. A, C, E, and F-K.) These investment contracts were
19 not registered. (Tr. 27.)
20

21 3. Headquartered in Pennsylvania, Global is a Delaware
22 Corporation formed on or about June 3, 2004, but operated as a
23 partnership prior to that date. Global's board consisted of two
24 directors, Butler and Steen, who are believed to be the sole
25 stockholders since no stock was issued. (Tr. 14; Exhs. A, B, and
26

1 C.) The investment marketing materials state that Global Sports
2 Marketing Corporation owns and operates a variety of companies,
3 including Global Digital Broadcast Network, Global Kiosk
4 Marketing, Global Coupon Marketing, Icastnet, and three online
5 casinos. (Exh. A.)

6
7 4. Butler is the CEO of Global (Exhs. C, E, F, and J) and
8 has never been registered in any capacity with the DOS. (Tr.
9 27.) Steen is the Chairman of the Board of Global. (Tr. at
10 13:7-8, 14:16-17, 46:13-13, 57:11-12; Exhs. C, G, and H.)
11 Neither Steen nor Butler has ever been registered with the DOS to
12 sell securities. (Tr. 20, 27.)

13 5. Troy Durrell (Durell) testified to being called by
14 Steen stating he (Steen) had a neat idea to invest and make some
15 money, and then being given the investment marketing materials
16 titled "Join the Millionaire's Club!" Steen explained the idea
17 was that Durell would be purchasing video screens in blocks in
18 different towns, on which advertising would be placed resulting
19 in a return on Durrell's money. Steen represented this as being
20 a joint venture between himself and Butler, with Steen as the
21 originator of the whole concept and idea and developer of the
22 whole business plan. Durrell talked with Butler several times
23 and also met with him in 2006. (Tr. 29-32, 40; Exh. A.)
24
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26

1 6. Durrell and his wife invested the following sums with
2 Global via checks payable to Global given to Steen in the
3 following amounts and dates: \$57,000 on April 7, 2005; \$66,000
4 on July 24, 2005; and \$96,000 on October 11, 2005. His son also
5 invested \$8,000 or so. (Tr. 34.)
6

7 7. Steen sales-pitched the investment to Durrell and his
8 wife, and enticed them to invest even more after remitting the
9 following sums to them: \$2,285 in June, 2005; \$2,496 in July,
10 2005; \$1,817 in August, 2005; and \$5,480 in September, 2005. No
11 further payment was received, nor was any principal returned
12 although requested. (Tr. 36-37.) As a passive investor, their
13 returns were represented by Butler to improve 100%. (Tr. 38-39;
14 Exh. E.)
15

16 8. Global evidenced its investments through a variety of
17 agreements. One of these agreements was the "Global Digital
18 Broadcast Affiliate License Agreement," which initially cost
19 \$37,000 for the standard affiliate package. For passive
20 investors, a Global Digital Broadcast Passive Business Model
21 Addendum was included. This addendum states "a passive business
22 model is one in which the purchaser (investor) purchases an
23 affiliate package from Global and the day to day operations of
24 the business are performed by Global." Those investors
25 purchasing plasma screens to be installed in shopping malls
26

1 completed either a Global Sports Marketing Corporation License
2 Agreement or an "Equipment Purchase and Licensing Agreement."

3 The price for mall screens was different than for the standard
4 affiliate package. (Tr. 40-41, Exhs. F and G.) Steen presented
5 these documents to Durrell and his wife, and by which they
6 consummated their investments. (Tr. 41-42; Exhs. F and G.)
7

8 9. Richard Helvey (R-Helvey) testified to being given
9 "Join the Millionaire's Club!" investment marketing materials
10 (i.e. Exh. A) by Steen (Tr. 50-51; Exh. A) and revenue returns of
11 50% being conjunctively represented to him by Steen and Butler.
12 (Tr. 52-53.) R-Helvey invested with Global initially in the
13 amount of \$8,000, and then \$36,000 via an "Equipment Purchase and
14 Licensing Agreement" for a total amount of \$44,000, via a self-
15 directed Individual Retirement Account. (Tr. 58-59; Exh. H.) A
16 factor for R-Helvey doing so was the representation that Steen
17 would be putting a lot of his own funds into it. (Tr. 53-54,
18 Exh. H.) R-Helvey believes he received no return of principal.
19 (Tr. 59.)
20

21 10. Leona Helvey (L-Helvey) testified to being introduced
22 to the Global advertising "screens" investment opportunity by
23 Steen, who gave her "Join the Millionaire's Club!" investment
24 marketing materials (i.e. Exh. A) and also told her that he
25 (Steen) would be investing his own money as well. (Tr. 61-63;
26

1 Exh. A.) She communicated telephonically with Steen a lot as
2 well as via e-mails, and also telephonically with Butler who made
3 promises of the world. (Tr. 70, 72, 73-74.) She invested
4 additional sums as a result of sums initially being remitted to
5 her, as well as to her husband. (Tr. 64.)

6
7 11. L-Helvey invested with Global via entering into Global
8 Digital Broadcast Affiliate License Agreements in various sums,
9 e.g. \$37,000 in March, 2005; \$59,000 in April, 2005. (Tr. 65;
10 Exhs. J, K, and I.) She and her husband ultimately invested a
11 total of \$219,330 of which \$101,000 came from a home equity loan.
12 (Tr. 68-69.)

13 12. Steen took specific actions to solicit investors,
14 including presentations at investors' homes, telephone
15 conversations, and providing investors with the prospectus
16 entitled "Join the Millionaire Club." (Tr. 11-12, 30-31, 35-37,
17 50-51, 61-63; Exhs. A and C.) Steen provided correspondence
18 encouraging investors to keep their investment dollars with
19 Global. In an e-mail to investors dated October 31, 2005, Steen
20 states, "The intentions that people get a good return on their
21 investments has not changed" and "You have invested in the
22 corporation which is a result of MY and Wayne's ideas
23 Anyone that wants out can get out. But they need to make that
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1 decision that they just want to get out or they need to just sit
2 back and take the ride as it comes." (Tr. 15-16, 37; Exh. C.)

3 13. Butler took specific steps to continue promoting
4 investment in Global. In an undated letter to investors, Butler
5 states "we have secured approximately forty major building
6 locations to install our plasma screens. I expect us to have
7 nearly eighty buildings in the next week or two." However, DOS
8 has no information indicating these screens were ever purchased
9 or installed. In the same undated letter Butler states, "I
10 expect the price of the affiliate to double in price by April 30,
11 2005. The affiliate price would go from \$37,000 to \$74,000.
12 What this means for the passive investor is your equity position
13 would improve 100%. Therefore you could sell for twice the price
14 you paid to purchase your affiliate." (Exh. E.)

15 14. Global never installed plasma screens as described to
16 the investors, including screens that were to be installed at the
17 State of Indiana's Bureau of Motor Vehicles. (Tr. at 17, 23, 32-
18 34, 38; Exh. D.) All evidence is contrary to Global ever selling
19 advertising for any plasma screens.

20 15. Al Ludwig, a DOS Securities Examiner, testified to
21 scheduling, i.e. audit and review the transactions and money flow
22 between the Steen's bank accounts. (Tr. 76-77.) The scheduling
23 showed that Steen co-mingled investor monies with his individual
24

1 private funds (Tr. 80-81) and that Butler used investor funds for
2 his own personal use. (Tr. 25.)

3 16. Investors Troy and Lorena Durrell invested \$219,000 in
4 Global over the course of their involvement with Global, Steen,
5 and Butler (Tr. 34) and received a total of \$12,078 in return on
6 their investment from Global during the first few months of their
7 involvement with Global, Steen, and Butler. (Tr. 36-37.)

8 Although Steen and Butler offered buy-back of anybody who didn't
9 want to be in, and Durrells accepting that offer, nothing
10 happened. (Tr. 32.) Durrells never received return of their
11 principal, nor did they receive the majority of the interest
12 promised. (Tr. 37:12-16.)

14 17. Investors Richard and Leona Helvey invested \$219,330 in
15 Global over the course of their involvement with Global, Steen,
16 and Butler. (Tr. 70.) They received a total of \$10,032.22 in
17 return on their investment from Global during the first few
18 months of their involvement with Global, Steen, and Butler. (Tr.
19 71-72.) Helveys also never received return of their principal,
20 nor did they receive the majority of the interest promised. (Tr.
21 59, 72.)

23 18. On June 12, 2009, the DOS submitted a "Motion for
24 Default Judgment Memorandum in Support" seeking a default
25 judgment imposing the relief requested in the DOS's June 2, 2008,
26

1 "Notice of Proposed Agency Disciplinary Action and Opportunity
2 for Hearing" (Complaint) as against Global. No response was ever
3 received from Global to this motion, nor did Global appear at the
4 hearing despite being mailed on July 24, 2009, an "AMENDED Notice
5 of Hearing" of that date.

6
7 19. The DOS found additional investors during the course of
8 its investigation. Post-hearing, DOS submitted an "Affidavit in
9 Support of Proposed Findings of Fact" (Affidavit) from Gene
10 Hermanson identifying the individual investors and their specific
11 losses not only in support of DOS's default motion, but for the
12 additional specific purpose of enabling the undersigned, as he
13 deems necessary, to properly distribute the restitution. This
14 Affidavit accompanied DOS's proposed findings and conclusions.
15 Despite being mailed a copy of this post-hearing document, Global
16 submitted nothing in response.

17
18 20. These post-hearing documents identify the investors and
19 their investments identified in DOS's Complaint as follows:

20 a. Investor 3, Michael Derzay, invested \$16,000 in
21 Global and has not received any return on his investment.
22 (Complaint ¶ 28; Aff. ¶¶ 4(d) and 7; Tr. 8-9.)

23 b. Investors 3, 4, 5, 6, 7, and 8, Michael Derzay,
24 Katie Derzay, Ken and Cheryl Baker, and Tim and Kathy
25 Simkins, respectively, formed an investment club known as
26

1 BDS Investments that invested \$125,000 in Global.

2 (Complaint ¶ 29; Aff. ¶¶ 4(d), (e), (f), (g) and 6; Tr. 8,
3 9.) These investors received \$6,544 in return on the
4 investment from Global. (Complaint ¶ 29; Aff. ¶¶ 4(d), (e),
5 (f), (g) and 6; Tr. 8-9.) These investors have not received
6 any further return on their investment. (Complaint ¶ 29;
7 Aff. ¶¶ 4(d), (e), (f), (g) and 6; Tr. 8, 9:1-4.)
8

9 c. Investors 5 and 6, Ken and Cheryl Baker, invested
10 \$16,000 in Global. (Complaint ¶ 30; Aff. ¶¶ 4(f) and 8; Tr.
11 8-9.) These investors have not received any return on their
12 investment. (Complaint ¶ 30; Aff. ¶¶ 4(f) and 8; Tr. 8-9.)
13

14 d. Investors 9 and 10, David and Rachel Anderson
15 invested \$69,000 in Global. (Complaint ¶ 37; Aff. ¶¶ 4(h)
16 and 9; Tr. 8-9.) These investors received \$4,142 in return
17 on the investment from Global. (Complaint ¶ 37; Aff. ¶¶
18 4(h) and 9; Tr. 8-9.) These investors have not received any
19 further return on their investment. (Complaint ¶ 37; Aff.
20 ¶¶ 4(h) and 9; Tr. 8-9.)

21 e. Complainant and Investors 13, 14, and 15, Ronald
22 Milledge, Pat Milledge, Karyn Milledge and Joan Milledge
23 Reeves invested \$145,000 in Global. (Complaint ¶ 42; Aff.
24 ¶¶ 4(a), (j), (k), and 5; Tr. 8-9.) These investors
25 received \$13,537 in return on the investment from Global.
26

1 (Complaint ¶ 42; Aff. ¶¶ 4(a), (j), (k), and 5; Tr. 8-9.)

2 These investors have not received any further return on
3 their investment. (Complaint ¶ 42; Aff. ¶¶ 4(a), (j), (k),
4 and 5; Tr. 8-9.)

5 f. Investors 16 and 17, Myron and Karen Moore
6 invested \$125,000 in Global. (Complaint ¶ 46; Aff. ¶¶ 4(1)
7 and 10; Tr. 8-9.) These investors received \$4,628 in return
8 on the investment from Global. (Complaint ¶ 46; Aff. ¶¶
9 4(1) and 10; Tr. 8-9.) These investors have not received
10 any further return on their investment. (Complaint ¶ 46;
11 Aff. ¶¶ 4(1) and 10; Tr. 8-9.)
12

13 g. Investors 18 and 19, GB and Cindy Kohoutek
14 invested \$20,000 in Global. (Complaint ¶ 47; Aff. ¶¶ 4(m)
15 and 11; Tr. 8-9.) These investors received \$1,542 in return
16 on the investment from Global. (Complaint ¶ 47; Aff. ¶¶
17 4(m) and 11; Tr. 8-9.) These investors have not received
18 any further return on their investment. (Complaint ¶ 47;
19 Aff. ¶¶ 4(m) and 11; Tr. 8-9.)
20

21 h. Investors 20 and 21, Audrey and Gary Steen
22 invested \$201,500 in Global. (Complaint ¶ 49; Aff. ¶¶ 4(n)
23 and 12; Tr. 8-9.) These investors received \$3,084.80 in
24 return on the investment from Global. (Complaint ¶ 49; Aff.
25 ¶¶ 4(n) and 12; Tr. 8-9.) These investors have not received
26

1 any further return on their investment. (Complaint ¶ 49;
2 Aff. ¶¶ 4(n) and 12; Tr. 8-9.)

3 21. Each of the Montana investors in Global that Hermanson
4 talked with during his investigation were solicited and offered
5 the investment by Steen. (Tr. 9.)

6 22. The factual record indicates a total investment by
7 Montana investors, less any return on investment, of \$1,100,243.
8

9 From the foregoing findings of fact, the Hearing Examiner
10 makes the following proposed:

11 CONCLUSIONS OF LAW

12 1. According to §§ 2-15-1901 and 30-10-107, MCA, the
13 Montana State Auditor is the Montana Commissioner of Securities
14 (COS).

15 2. The COS has jurisdiction over this matter pursuant to
16 §§ 30-10-102, 30-10-107, 30-10-201, 30-10-301, 30-10-304, 30-10-
17 305, and 30-10-307, MCA.

18 3. Respondents, Global, Butler, and Steen are each a
19 "person" as defined by § 30-10-103(16), MCA.

20 4. The proffered investments of Respondent, Global and
21 those of its affiliated entities in this matter regarding digital
22 plasma screen advertising each constitute a "security" as defined
23 by § 30-10-103(22), MCA, and are not registered as a security in
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1 Montana, nor eligible for any registration exemption under § 30-
2 10-202, MCA.

3 5. Butler and Steen each offered, sold, and/or was a sales
4 participant or agent in the offering and/or sale of a security to
5 at least twenty investors while not registered to do so by the
6 State of Montana, and is in violation of § 30-10-201, MCA.

7 Butler and Steen each violated § 30-10-201, MCA, in their
8 respective offering and/or sales actions and related participa-
9 tory actions with these twenty investors.

10 6. Butler and Steen each offered and/or sold an
11 unregistered Global security to at least twenty investors, in
12 violation of § 30-10-202, MCA.

13 7. Global, Steen, and Butler each engaged in fraudulent
14 acts via their respective actions with the twenty investors when
15 each of them participated in the development and/or distribution
16 of a document that misled Global investors as to the likely
17 return on their investment, including but not limited to:

18 a. failing to disclose to the investor the risks
19 associated with their investment in Global,

20 b. failing to disclose to the investor that the
21 investment dollars were being used for the personal benefit
22 of Butler and Steen, and
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1 c. misleading the investor about contracts Global had
2 with shopping malls and other businesses regarding the
3 installation of plasma screens that were to be used for
4 advertising, in violation of § 30-10-301(1)(b), MCA.

5 8. Global, Steen, and Butler each violated § 30-10-
6 301(1)(c), MCA, by engaging in an act, practice, and/or course of
7 business regarding each of the twenty investors that acted, or
8 would act, as a fraud or deceit on their customers by:

9 a. distributing a document that misled the potential
10 investor of Global as to the likely return on that
11 investment,
12

13 b. failing to disclose to the investor the risks
14 associated with that investment in Global,
15

16 c. failing to disclose to the investor that the
17 investment dollars were being used for the personal benefit
18 of Butler and Steen,

19 d. misleading the investor about contracts Global had
20 with shopping malls and other businesses regarding the
21 installation of plasma screens that were to be used for
22 advertising,

23 e. failing to disclose to the potential investor
24 it/he was not registered to offer securities in Montana, and
25

1 f. failing to disclose to the potential investor that
2 the Global security was unregistered.

3 From the foregoing Findings of Fact and Conclusions of Law,
4 the Hearing Examiner proposes to the Commissioner of Securities
5 the following:
6

7 ORDER

8 1. The DOS's motion for entry of a default order imposing
9 the relief requested in the DOS's June 2, 2008, Notice of
10 Proposed Agency Disciplinary Action and Opportunity for Hearing
11 as against Global Sports Marketing Corporation (Global Sports) is
12 granted.

13 2. Pursuant to § 30-10-305(1)(a), MCA, Global, Steen, and
14 Butler shall each permanently cease and desist their respective
15 actions violative of the Montana Securities Act.
16

17 3. Pursuant to § 30-10-305(3), MCA, Respondent Steen shall
18 pay a fine of \$5,000 for each of the six identifiable violations
19 of § 30-10-301(1)(c), MCA, he committed against each of the
20 twenty Montana investors, for a total fine amount of \$600,000.

21 4. Pursuant to § 30-10-305(3), MCA, Respondent Butler
22 shall pay a fine of \$5,000 for each of the six identifiable
23 violations of § 30-10-301(1)(c), MCA, he committed against each
24 of the twenty Montana investors, for a total fine amount of
25 \$600,000.
26

1 5. Pursuant to § 30-10-305(3), MCA, Respondent Global
2 shall pay a fine of \$5,000 for each of the six identifiable
3 violations of § 30-10-301(1)(c), MCA, it committed against each
4 of the twenty Montana investors, for a total fine amount of
5 \$600,000.
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7 6. Pursuant to §§ 30-10-201(18) and 30-10-305(3), MCA,
8 Butler and Steen shall each pay an additional fine of \$5,000 for
9 failing to register in accordance with § 30-10-201, MCA.

10 7. Pursuant to § 30-10-305(3), MCA, Butler and Steen shall
11 each pay an additional fine of \$5,000 for offering and/or selling
12 securities not registered nor exempt in accordance with § 30-10-
13 202, MCA.

14 8. Pursuant to § 30-10-309, MCA, Global, Steen, and Butler
15 are each jointly and severally liable to pay restitution to the
16 following investors in the following respective, collective
17 amounts:
18

19 a. Richard and Leona Helvey, \$209,298.00;

20 b. Troy and Lorena Durrell, \$206,922.00;

21 c. Michael Derzay, \$16,000;

22 d. Michael Derzay, Katie Derzay, Ken and Cheryl

23 Baker, and Tim and Kathy Simkins, a/k/a BDS Investments,
24 \$118,456.00;

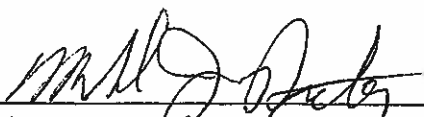
25 e. Ken and Cheryl Baker, \$16,000;
26

1 f. David and Rachel Anderson, \$64,858.00;
2 g. Ronald Milledge, Pat Milledge, Karyn Milledge and
3 Joan Milledge Reeves, \$131,463.00;
4 h. Myron and Karen Moore, \$120,372.00;
5 i. GB and Cindy Kohoutek, \$18,458.00; and
6 j. Audrey and Gary Steen, \$198,415.20;
7
8 (being a total amount of \$1,100,242.20), together with 10%
9 interest on each of the respective sums from the date of the
10 respective violation(s).

11
12 NOTICE OF NECESSITY TO FILE EXCEPTIONS TO THESE PROPOSED
13 FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER
WITHIN 30 DAYS OF THE DATE OF THIS DECISION

14 Pursuant to the Montana Administrative Procedures Act
15 at Mont. Code Ann. § 2-4-621, adversely affected
16 parties in this case have the opportunity to file
17 written exceptions with supporting briefs and to
18 present an oral argument to the Commissioner of
19 Securities and Insurance or her designee. If a party
20 does not file exceptions to the above Proposed Findings
21 of Fact, Conclusions of Law and Order with the
22 Commissioner of Securities and Insurance, Office of the
23 State Auditor, at 840 Helena Avenue, Helena, MT 59601,
within 30 days of the date of this decision, this will
constitute a waiver of an adversely affected party's
right to judicial review of this decision pursuant to
Mont. Code Ann. § 2-4-702. Exceptions must be filed in
order to exhaust all administrative remedies available
to any party who believes he/she is aggrieved by this
proposed decision.

24 Dated this 4th day of March, 2010.

25 
26 Michael J. Rieley, Hearing Examiner

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3 CERTIFICATE OF SERVICE

4 I do hereby certify I served a copy of the foregoing AMENDED
5 Hearing Examiner's Proposed Findings of Fact, Conclusions of Law,
6 and Order upon all parties of record on the 4th day of March,
7 2010, by mailing, e-mailing, faxing, or hand delivering a copy
8 thereof to:

9 Ms. Roberta Cross Guns
10 Special Assistant Attorney General
11 State Auditor's Office
12 840 Helena Avenue
13 Helena, MT 59601

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14 Mr. Wayne Derrick Butler
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